

OGC 5117

Chief, Agent Service Section, Finance Division

23 May 1955

Office of General Counsel

Compensation of Contract Employees Paid at an Hourly Rate

1. This is in reply to your memorandum dated 9 May 1955 regarding interpretation of a contract clause providing as follows:

"Compensation. In full consideration of the use of your services and the performance of duties pursuant to this contract, you will be paid an amount calculated at the rate of _____ per hour for a maximum of _____ hours per month".

2. You have asked whether this could be construed to permit a computation based on the total number of whole hours with fractions disregarded. We believe it could if the contract provided for _____ per hour rather than "at the rate of _____ per hour". However, under the present language, the words "at the rate of" indicate to us a gauge rather than a limit and we do not believe it could properly be so regarded otherwise. We would see no objection in assuming an arbitrary limitation based on the quarter hour rather than the minute.

3. We have discussed this matter with SCAPS who will revise the language in future contracts to avoid this difficulty.

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Assistant General Counsel

OGC/CWP:msk (19 May 1955)

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